

Commodity Fact Sheet

June 1996

**Peanuts****Summary of 1996 Support Program and Related Information****Support Levels**

The 1996-crop national average support levels are \$610 per short ton for quota (domestic edible use) peanuts and \$132 per short ton for "additional" (all other) peanuts. There will not be a deduction from the loan advance for storage, handling, and inspection costs.

Acreage Allotments

The Federal Agricultural Improvement and Reform Act (FAIR) of 1996 suspended peanut acreage allotments for the 1996 through 2002 crops.

Poundage Quotas

The national poundage quota in effect for 1996-crop peanuts is 1,100,000 tons. That quantity is the sum of domestic food and related uses. Poundage quotas were approved for the 1996 and 1997 crops by 97 percent of the peanut growers voting in a December 1995 referendum. Undermarketings from the 1996 through 2002 crops of quota peanuts are eliminated.

Support Operations

Support at the quota price support level will be available during harvest season only on Segregation 1 peanuts grown within the farm poundage quota. Support at the additional price support level will be available on additional peanuts grown on farms with a poundage

quota or on farms without a quota. Peanuts marketed for domestic edible use in excess of the farm poundage quota shall be subject to a penalty of 140 percent of the quota price support rate.

Support is carried out primarily through nonrecourse warehouse-storage loans to approved grower associations acting for farmers. Also, the price may be supported through loans to producers on farm-stored peanuts and through purchases from producers. The peanut marketing year begins August 1 and ends July 31.

Loans

Loans for the 1996 crop of warehouse-stored peanuts are available from time of harvest through January 31, 1997. Purchase agreements or loans on farm-stored quota peanuts are available through March 31, 1997. Loans are available on additional farm-stored peanuts through January 31, 1997. Additional peanuts are not eligible for purchase agreements. A producer with peanuts under a purchase agreement or farm stored loan must deliver the peanuts on or before April 30, 1996.

Statutory Requirements

By law, the national average quota support level for 1996 through 2002 crop peanuts is \$610 per short ton.

The additional support rate must be set by the Secretary of Agriculture after considering the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets. Also, the support rate on additional peanuts must be set at a level estimated to ensure no loss to the Commodity Credit Corporation on the sale or disposal of additional peanuts.

The 1996 law also provides for the establishment of quota and additional loan pools for distribution of any profits from sales of loan collateral peanuts.

Contracting

Additional peanuts for crushing or export may be marketed under contracts between producers and handlers. Such contracts, however, must be submitted for approval prior to September 15. Any additional peanuts not covered by such contracts must be marketed under additional price support loans.

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Marketing Assessments

The marketing assessment for 1996-crop peanuts will be 1.15 percent of the applicable loan rate (quota or additional). The first purchaser of peanuts shall collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .6 percent of the national average loan

rate. Further, the first purchaser shall pay, in addition to the amount collected from the producer, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate.

Year	Production (million lbs.)	Quota (cents per lb.)	National Average Support Price Additional (cents per lb.)	Average Price ¹ To Farmers (cents per lb.)	Farm Value (million \$)
1978	3,952.4	21.0	12.5	21.1	833.9
1979	3,968.5	21.0	15.0	20.6	819.3
1980	2,302.8	22.75	12.5	25.1	578.6
1981	3,981.9	22.75	12.5	26.9	1,069.5
1982	3,440.3	27.5	10.0	25.0	862.7
1983	3,295.5	27.5	9.25	24.6	814.6
1984	4,405.9	27.5	9.25	27.9	1,230.8
1985	4,122.8	27.95	7.40	24.4	1,003.4
1986	3,697.1	30.37	7.49	29.2	1,073.3
1987	3,616.0	30.37	7.49	28.0	1,021.9
1988	3,980.9	30.76	7.49	27.9	1,115.2
1989	3,990.0	30.79	7.49	27.8	1,116.5
1990	3,603.7	31.57	7.49	34.7	1,249.6
1991	4,926.6	32.14	7.49	28.3	1,392.0
1992	4,284.4	33.37	6.55	30.0	1,285.4
1993	3,392.4	33.37	6.55	30.4	1,030.9
1994	4,247.0	33.92	6.60	28.9	1,239.0
1995	3,461.0	33.92	6.60	29.3	1013.3
1996		30.50	6.60		

1 Includes government payments for loan peanuts, including profit distributions from loan peanut pools in years when there are pool profits.

(For statistics for 1941 through 1977, see Peanuts Commodity Fact Sheet, dated June 1978.)

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